

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

Life Insurance (Continued)

302.06.02B TREATMENT OF LIFE INSURANCE UNDER SSI RESOURCE POLICY

Procedure
<p><u>Under SSI Resource Policy:</u></p> <ul style="list-style-type: none">• Term life insurance policies do not have cash value and are excluded• Burial policies are excluded• For all other policies determine the total Face Value (FV) of the policies owned by the individual <p>NOTE: Do not include the Face Value of any dividend additions in determining whether a policy is a countable or excluded resource.</p> <ul style="list-style-type: none">• A life insurance policy is excluded if its Face Value <u>and</u> the FV of any other life insurance policies the individual owns on the <u>same insured person</u> total 1,500.00 or less.<ul style="list-style-type: none">○ Even if a policy is excluded, any accumulated dividends are countable toward the resource limit unless they are excluded under another provision such as set aside for burial• If the policy is a countable resource, the cash surrender values (CSV, dividend additions, dividend accumulations, outstanding loan amounts reducing the CSV) of the policies must be verified and considered in the eligibility determination.<ul style="list-style-type: none">○ The countable cash surrender values of the policies and accumulations are countable toward the resource limit unless they can be excluded as burial assets.• Refer to the income section for treatment of life insurance policy dividends. <p>Example: Lyn Reno is the owner of four life insurance policies. Two have Face Values of \$500 and two have Face Values of \$250. The total of all FVs is \$1500 so the policies are excluded.</p> <p>Example: Jerry Mann is the owner of three life insurance policies insuring his spouse. The Face Value of each one is \$750. The total Face Value is \$2,250. The specialist must determine the cash values of the policies and count them toward the resource limit unless a burial exclusion is developed.</p> <p>Example: Roger West is the owner of two life insurance policies on his spouse. One is whole life with a Face Value of \$1,200 and the other is term life with a Face Value of \$10,000. The term life policy has no cash value and is excluded. The whole life policy is excluded because the Face Value is less than \$1,500.</p>